

City of San Antonio

Tax Increment Reinvestment Zone Number 11
City of San Antonio, Texas

Inner City TIRZ



FINAL PROJECT PLAN

Approved:
May 24, 2001

Amended:
December 18, 2003
September 2, 2004
June 30, 2005
August 25, 2005
December 15, 2005
March 2, 2006
September 4, 2008
January 29, 2009

PROJECT PLAN

Tax Increment Reinvestment Zone Number 11

Section 1: Executive Summary

Tax Increment Reinvestment Zone Number 11 (Inner City TIRZ) was designated on December 14, 2000 to support redevelopment and public infrastructure improvements within the boundaries of the following three enterprise zones: 1) Enterprise Community Enterprise Zone, 2) Eastside Enterprise Zone, and 3) Southside Enterprise Zone.

When the TIRZ was created, several projects were identified as eligible for TIF funds. In May of 2001, the TIRZ Board and City Council approved the Final Project and Final Financing Plans that identified six projects that were eligible for TIF funds. In August 2002, the TIRZ Board re-prioritized the existing projects and began to evaluate those projects further along in the development process. In December 2003, the Board and City Council approved an amendment to the TIRZ boundaries to include the Walters, Houston and Hackberry corridors, in an effort to focus on potential corridor development. This amendment included the addition of 214 new parcels in the zone. In February of 2004, the Board approved the addition of the Eastside Sports Complex. During the September 1, 2004 TIRZ Board meeting, the Board directed staff to develop a Request For Proposals to solicit new projects to be considered for TIRZ funds. On December 13, 2004, staff presented the draft RFP to the TIRZ Board. Staff released the RFP on December 22, 2004, stipulating a deadline to submit proposals on January 24, 2005. On June 27, 2005, the Board approved amending the boundaries of the TIRZ to include a City owned parcel located at 600 E. Market Street, where a convention center hotel is under construction, and to add several projects to the list of eligible projects. The Board is using the projected revenue of \$16,237,198 for effectively by encouraging private investment, maximizing public benefit and furthering other City goals.

Seven proposals were submitted in response to the 2004 RFP. During the June 27, 2005 TIRZ Board meeting, the Board approved the addition of these seven projects and furthermore deleted the following projects from being eligible to receive TIRZ Funds: Ellis Alley Restoration, Southtown (South Alamo), East Side Cemeteries, New Light Village Housing and Good Samaritan Hospital. These projects remain on the Project Plan and may be reconsidered for TIF Funds by the Board if proper plans and proof of financing are presented in the future. During the January 30, 2006 Board meeting, the Board approved the complete removal of the Merchants Ice Building project from the Project and Financing Plans.

On January 14, 2008, the Board approved the removal of the Friedrich Building Project and the Oscar Eason Multiuse Center from Project List A to B, defunding the two projects.

In the Spring of 2008, Staff released a second RFP for projects within the TIRZ, and three proposals were received. Those proposals are discussed below, in the Proposed Projects section.

In its meeting on August 22, 2008, the Board voted to approve moving the Southtown Project

from approved list “A” to the active project list “B”, in response to Southtown’s proposal for funding for specific improvements within its boundaries.

The City, in its efforts to effectuate community revitalization and economic development within the TIRZ, has recommended to the Board that the River Bend Garage be added to the Final Project and Final Financing Plans of the TIRZ. Located at the corner of Market and Presa Streets, within the TIRZ, the River Bend Garage is owned by the City of San Antonio (the "City") and has become increasingly important logistically speaking to the vitality of the downtown area and the Zone specifically. Once added to the list of approved projects for the TIRZ, the garage may be transferred to private ownership, which will generate ad valorem tax increment for the TIRZ, enabling the Board to finance additional projects within the boundaries of the TIRZ.

In January of 2009 several projects were added to the Inner City TIRZ Final Project and Finance Plans. Each of the projects serves the purpose of furthering revitalization and redevelopment opportunities within the boundaries of the Inner City TIRZ. The first project, the acquisition of 1511 E. Commerce St. by the City of San Antonio on behalf of the Inner City TIRZ Board, will enable the TIRZ board to direct the redevelopment of this key property through a future RFP process. The second project, the St. Paul’s Square Garage project will address parking issues identified in the Walker Parking Study commissioned by the City Council in April of 2008. The Parking Garage will facilitate further economic development opportunities. The final project added to the plan will include the sale of five City owned properties in St. Paul’s Square to East Commerce Realty. Upon the sale of these properties, the Inner City TIRZ will realize an additional \$1,700,000 in taxable value due to the change in ownership from the City, which is exempt from property taxes, to East Commerce Realty.

Section 2: TIF Policy and Program

Policy

The City of San Antonio is dedicated to the revitalization of inner-city neighborhoods and commercial districts, particularly in those areas located inside Loop 410 and south of Highway 90, by using a tiered system of incentive tools, such as Tax Increment Financing (TIF). A TIF project should act as an economic stimulus to the surrounding areas. By leveraging private investment for certain types of development within a targeted area, TIF can be a tool used to assist in financing needed public improvements and enhancing infrastructure.

TIRZ Designation

Once a Reinvestment Zone has been established in accordance with Chapter 311 and the TIF Guidelines, incremental real property taxes resulting from new construction, public improvements, and redevelopment efforts will accrue to the various taxing entities. Participating taxing entities may deposit all, a predetermined portion, or none of the incremental property taxes in a designated TIF Fund for the purpose of financing the planning, design, construction or acquisition of public improvements in the Reinvestment Zone. Under the TIF Guidelines, the City of San Antonio will enter into a written agreement with all participating taxing entities to specify: (1) the conditions for payment of the tax increment into a TIF Fund, (2) the portion of tax increment to be paid by each entity into the TIF Fund, and (3) term of the agreement.

Participating Entities

The City is the only participating taxing entity in the Inner City TIRZ.

City of San Antonio

The City of San Antonio roles and responsibilities with the Inner City TIRZ are to administer the TIF process, which include, but are not limited to:

- Administration of TIRZ Board
- Administration of TIRZ Fund
- Review and evaluate project proposals
- Execute legal agreements
- Monitor construction of projects
- Issue reimbursement(s) for Public improvements and other eligible costs completed and submitted, upon approval of the TIRZ Board
- Prepare and send State required reports
- Give status reports to City Council

Neighborhood Associations and Community Groups

The neighborhood associations, community groups and other organizations such as community development corporations play a vital role in the revitalization, development, and/or redevelopment of the Inner City TIRZ. The City strongly encourages community participation in the development of project proposals.

Bexar County

Bexar County does not contribute their increment to the Inner City TIRZ fund; however, Bexar County has committed funds for improvements that would enhance Commerce Street access from IH-37 to the SBC Center. Improvements would include street reconstruction, necessary drainage improvements, signage, sidewalk repair and other aesthetic improvements that would create a “grand boulevard” effect on this important thoroughfare between downtown San Antonio and the SBC Center.

Developer

Since the project plan identifies several projects that are eligible for TIRZ funds, the Inner City TIRZ may enter into multiple agreements with multiple developers to revitalize, develop and/or redevelop areas within the Inner City TIRZ boundaries. As projects and improvements are proposed and approved by the Board and City Council, the various agreements will outline the scope of services and deliverable details for each specific project.

Section 3: Existing Conditions

Regional

The Inner City TIRZ is located in the center and the eastern quadrant of the City of San Antonio, inside Loop 410, primarily south of Interstate Highway 35, north of Interstate Highway 10, and straddling both sides of Interstate Highway 37. The zone is approximately 2.5 square miles (1570 acres) in size.

Urban Setting

Due to its size and location, the zone contains a wide variety of neighborhoods, business and entertainment districts that are broadly representative of the City’s development history. The zone also includes some key landmarks such as the Riverwalk, Alamodome, SBC Center, and

Sunset Station.

School District(s)

Project is located in San Antonio Independent School District area.

Neighborhood Associations

The neighborhood association for the area include: Lone Star, King William, Lavaca, Downtown, Historic Gardens, Nevada Street, Coliseum Oaks, Coliseum Willow Park, Jefferson Heights, Harvard Place/Eastlawn, Government Hill, and Dignowity Hill.

Major Thoroughfare Plan

The TIRZ has two major highways crossing through the zone: IH-37 north and south and IH 35 east and west. Several corridors make up the major transportation arteries including: Alamo Street, South Presa Street, Hackberry Street, New Braunfels Avenue, Walters Street, East Houston Street, and East Commerce Street.

Demographics

Fourteen Census Tracts overlap Zone boundaries.

| | Percentage of civilians unemployed | Percentage of population living below poverty level | Percentage of population without high school degree | Unhealthy Zip Code ¹ |
|----------------------|--|---|--|------------------------------------|
| COSA | 6.2% | 17.3% | 24.9% | |
| TIRZ 11 ² | 5.9% | 34.5% | 42.4% | |
| 110100 | 9.0% | 37.5% | 35.0% | -- |
| 110200 | 6.5% | 44.7% | 45.0% | -- |
| 110300 | 5.4% | 32.9% | 55.0% | Yes |
| 110400 | 3.5% | 18.9% | 20.7% | -- |
| 110900 | 2.4% | 39.6% | 40.2% | -- |
| 111000 | 5.4% | 29.9% | 54.5% | -- |
| 130100 | 7.7% | 45.0% | 52.1% | -- |
| 130200 | 6.7% | 35.7% | 49.0% | -- |
| 130500 | 5.7% | 44.5% | 43.2% | -- |
| 130600 | 5.7% | 43.9% | 40.7% | -- |
| 130700 | 5.5% | 47.3% | 50.4% | -- |
| 130800 | 7.1% | 27.5% | 31.1% | -- |
| 140100 | 10.1% | 23.5% | 52.0% | Yes |
| 150200 | 2.7% | 12.0% | 24.7% | Yes |

Education

A higher percentage of people living in the TIRZ do not have a high school degree (42.4%) compared to the City average (24.9%).

¹ According to Metropolitan Health District.

² Average of the fourteen Census Tracts.

Poverty level

The poverty rate within the TIRZ is nearly double that of the City.

Employment

The unemployment rate within the TIRZ is slightly lower than the City.

Section 4: Proposed Projects

The proposed projects eligible for Inner City TIRZ funding have changed from time to time since the designation of the zone. In the spring of 2008, the Inner City TIRZ Board released a second RFP to solicit new projects. Three proposals were submitted. During the August 22, 2008 TIRZ Board meeting, the Board approved the addition of the, Southtown (South Alamo), project, and requested additional information on the University of Incarnate Word and SPSA Garage projects, which will remain under consideration by the Board for future funding. The addition of the River Bend Garage, at the recommendation of the City, was considered by the Board at the August 29, 2008 meeting, and added to the approved active project list B.

Future projects may be added to the Project and Finance Plans. The TIRZ Board will approve the process to solicit new projects. All new projects will be evaluated and added to the Project Plan and Finance Plans upon approval of the TIRZ Board and City Council.

Project List A

| Project | Estimated Costs | Fund Source |
|-------------------------------------|-----------------|-------------|
| Arena Townhomes (New Light Village) | \$ 0 | TIRZ |
| Good Samaritan Hospital | \$ 0 | TIRZ |
| Ellis Alley Restoration | \$ 0 | TIRZ / CDBG |
| Friedrich/Carver | \$ 0 | TIRZ |
| Friedrich Building | \$ 0 | TIRZ |
| Oscar Eason Multiuse Center | \$ 0 | TIRZ |
| TOTAL | \$ 0 | |

The projects in Project List A will remain on the Project Plan and may be reconsidered for TIRZ Funds by the Zone Board if proper plans and proof of financing is presented in the future.

Project List B

| Project | Estimated Costs | Fund Source |
|---|---------------------|-------------|
| Eastside Sports Complex | \$1,832,992 | TIRZ |
| Victoria Commons | \$3,362,169 | TIRZ |
| Staybridge Hotel | \$1,000,000 | TIRZ |
| Barrio Comprehensive | \$1,700,000 | TIRZ |
| Eastside Cemeteries | \$152,787 | TIRZ |
| Convention Center Hotel & Condominium Project | \$ 0 | PRIVATE |
| Hays Street Bridge | \$235,000 | TIRZ |
| Quiet Zone | \$800,000 | TIRZ |
| Southtown (S. Alamo St.) | \$694,002 | TIRZ |
| River Bend Garage | \$0.00 | PRIVATE |
| Incarnate Word University | \$1,242,220 | TIRZ |
| 1511 E Commerce | \$160,500 | TIRZ |
| SPSA Garage | \$2,000,000 | TIRZ |
| SPS Properties | \$0 | PRIVATE |
| TOTAL | \$13,179,670 | |

All project developers must enter into a contractual agreement with the Board and the City, which will stipulate the scope of work, the eligible TIF costs and the amount the TIF fund will reimburse the schedule to complete projects, and other requirements. These agreements will be presented to the Board for consideration as they are completed.

The following are descriptions of projects listed on Project List B which are scheduled to receive TIRZ funding:

Convention Center Hotel & Condominium Unit Project - District 1

The City San Antonio hired Faulkner USA, Inc. to develop the parcel of land adjacent to the Convention Center as a convention center hotel. The project is located at 600 E. Market and will be a Grand Hyatt Hotel, which will include condominium units above the hotel. It is proposed that 144 units will be constructed with state of the art finishes, floor to ceiling skyline views and every amenity of living in a hotel with all the advantages of a private residence. The sizes range from a 765 square foot one bedroom unit to a 3,903 square foot penthouse with a private roof deck. The average projected sales price per square foot is \$300.00 to \$400.00. The annual ad valorem taxes levied by the City and paid by the private owners of the condominiums will result in additional revenue to be deposited in the TIRZ Fund. The City Council approved a Purchase and Sale Agreement for the air space in which the condominiums shall be constructed. The City Council declared the Upper Commercial Condominium Unit as surplus, and authorized the sale of the surplus Upper Commercial Condominium Unit, to be located in the airspace immediately above the new Convention Center Hotel Project in accordance with the terms and conditions of

the Purchase and Sale Agreement. The declaration of the Upper Condominium Unit is subject to the Developer and the City having met all conditions precedent to the closing, as more particularly set out in the Purchase and Sale Agreement, and provided, further, that the foregoing authorization shall also not be effective until after the date and time the Board approves expansion of the boundaries of the Inner City TIRZ to add the site.

The annual ad valorem taxes levied by the City, that are anticipated to be paid by the condominium owners once the units are all bought, are estimated to be \$350,000. The resulting increment contributed to the TIRZ fund will enable the Inner City TIRZ to accomplish more public improvements than previously contemplated. The developer and City agree that the developer shall not seek reimbursement from the TIF Fund for infrastructure improvements related to the construction of the Convention Center Hotel or the Upper Condominium Unit or the addition of the site and Convention Center Hotel and Condominium Project to the Inner City TIRZ boundaries. The inclusion of the site and Convention Center Hotel and Condominium Project in the Inner City TIRZ is a means to enhance the performance of the Inner City TIRZ, without requiring any payment from the fund to the developer.

Dr. Frank Bryant Family Health Center – District 2

The Dr. Frank Bryant Health Center will be operated by Barrio Comprehensive Family Health Care Center, Inc. This facility will be a two-story, 40,000 square foot building with a free standing 6,000 square foot storage building and parking lot on a 3.7 acre located at the intersection of East Commerce Street and Spriggsdale Boulevard. The main building will house four medical clinics, an 18-chair dental clinic, a full-service pharmacy and laboratory and behavior health services. The medical clinic will be staffed by Board-certified physicians in family practice, pediatrics, obstetrics-gynecology, and internal medicine.

Barrio Comprehensive Family Health Care Center, Inc will operate the Center. The project will add an estimated 64 new full time jobs and the project will cost \$8.9 million. In the first year of operation, the Center is expected to serve 22,100 patients during 54,150 visits and to serve to increase access to primary health care services on the east side residents.

This Center will accept referrals of patients from the San Antonio Metropolitan Health District (SAMHD) and become the health care provider of record for such referrals to the extent of the available capacity at the Center. Barrio will charge fees to such referrals on a sliding scale based on their income as provided by federal law and Barrio will also cooperate with the SAMHD in coordinating health services to the community surrounding the Health Center.

East Side Cemeteries - District 2

The African American and historic cemeteries that are located off East Commerce Street and South New Braunfels have been in deplorable condition. Those cemeteries are located in an area

bounded by E. Houston on the north, N. New Braunfels on the east, Nevada on the south and Pine Street on the west.

TIF Funds have been used to providing new wrought iron fencing for the cemeteries. The project also focuses on providing gated entrances, gateway signage, historical markers, and landscaping, and TIF funds may be used in the future to acquire cemeteries for public ownership.

Eastside Sports Complex – District 2

The Antioch Community Transformation Network, Inc. (ACTN), a 501 (c)(3) non-profit community development corporation established in April 2000 by the Antioch Missionary Baptist Church, has proposed to make an investment into the community by constructing a privately-owned sports complex & gymnasium. The Eastside Sports Complex will be located on Walters Street and Eross Street in the central eastside of San Antonio. This 22,600 square foot, two-story, state-of-the-art sports complex will house:

- NCAA regulation basketball court with seating for 250 people
- Aerobics/Fitness room
- Ballet & Dance Studio
- Walking Track
- Weight Training Equipment
- Men's & Women's Health Club
- Team Locker and Training Room
- Concession Stand
- Offices

The cost of building the facility is estimated to be approximately \$4 million. ACTN proposes to pay for the construction through a private construction loan, private donations, and grants. No TIRZ funds will be used to pay for the construction of the facility. In order to meet the costs of operating the facility, ACTN proposes to lease the court and other amenities to the Silver Stars WNBA professional basketball team for specific hours and days during the course of their three seasons (training camp, regular season, & off season). ACTN also proposes to lease the court and other amenities to the Amateur Athletic Union for basketball tournaments.

ACTN proposes to offer this facility for public usage in return for a "user fee." TIRZ funds would be used to pay ACTN for allowing the public to use the facility. The City of San Antonio, the Tax Increment Reinvestment Zone Number Eleven (11) Board and the Antioch Community Transformation Network would enter into a "use agreement" that will outline the specifics of the public use. The total fees for public use of the facility for eight (8) years beginning in FY 2008 are \$1.8 million. Annual fees are outlined in the Finance Plan.

The proposed "use agreement" will allow for this facility to open for public use and allow for activities such as:

- Middle school and high school basketball and volleyball

- Wheelchair basketball
- Basketball camps for community youth
- Non-traditional sports programs (i.e. martial arts, wrestling)
- Senior health and fitness programs
- Health & nutrition fairs
- Mother's day out programs
- Dances
- Community theatre
- Community exercise equipment

In addition to improving the attractiveness of the neighborhood, this facility will offer positive alternatives for neighborhood youth that in many instances live in poor distressed neighborhoods and face many social problems that range from crime, drug use and gangs. It also will offer opportunities for other potential partnerships with other local community organizations to address issues such as health and wellness for residents of the eastside and San Antonio in general.

River Bend garage – District 1

This project provides for an increase of approximately \$22 million in taxable value. On September 4, 2008, the City Council will consider an item that authorizes the exchange of the City-owned River Bend Garage located at 412 East Commerce Street for a 4.67 acre property site at 315 South Santa Rosa Street. The 315 South Santa Rosa Street property is being acquired as a potential site for the proposed Public Safety Headquarters facility. On August 29, 2008, the Board of Directors of Tax Increment Reinvestment Zone Number 11 (Inner City) considered the addition of the River Bend Garage to the Final Project and Finance Plans in order to reflect the anticipated captured value and to facilitate the exchange of properties.

San Antonio Staybridge Hotel – District 2

Zachry Realty, Inc. and Woodward Interest LLC propose to acquire land from the VIA Metropolitan Transit Authority in order to construct a 13-story, 138 room extended stay Staybridge Hotel. The 1.99-acre site is located directly south of the St. Paul Square/Sunset Station. TIRZ Funds will be utilized for construction of approaches, parking, landscaping, an urban park, sidewalks, utility infrastructure, and historical façade enhancements. The estimated value of the development is \$18,315,000. This hotel could help compliment the redevelopment efforts of the St. Paul Square area and the revitalization efforts of the East Town at Commerce Neighborhood Commercial Revitalization.

Southtown (South Alamo) - District 1

The Southtown area has grown in recognition as a restaurant and arts district. In a recent market feasibility study commissioned by the City of San Antonio Neighborhood Commercial Revitalization (NCR) Program, the future of Southtown's development is critical upon much needed infrastructure. The condition of sidewalks, curbs, lighting, lack of parking, street landscape, signage is holding the area back from attaining its full potential.

Street improvements have been targeted for South Alamo between Probandt and Durango, Pereida between South Alamo and South St. Mary's, and South St. Mary's between Durango and the intersection of Pereida, including the stretch of Presa from Pereida to South Alamo. All improvements are public infrastructure and imperative as demonstrated in the Southtown Market Feasibility Study as critical to the neighborhoods commercial district development potential.

Victoria Commons – District 2

The Victoria Commons master planned community will be the result of the redevelopment efforts of the former site of the Victoria Courts public housing development. The San Antonio Housing Authority was awarded a HOPE VI Revitalization Grant of \$18 million to partially fund the redevelopment of the original site. TIRZ Funds will be utilized for the reconstruction of water, sanitary, stormwater, streets, sidewalks and drainage along Labor and Leigh Streets in order to facilitate the construction of 172 new single-family homes. Some utility lines serving this area are estimated to be more than 100 years old. This estimated value of the development of the 172 single-family homes is \$25.8 million.

Labor Street Improvements include: replace existing roadway including curb, sidewalks, driveways, and side street connections to the extent required and increase the water line to a 12" water line.

Leigh Street Improvements include; replace existing roadway including curb, sidewalks, and driveways on both sides of the street; install new handicap ramps at intersections; replace existing drainage inlets with larger curb inlets; replace existing underground drainage system with larger capacity reinforced concrete pipe drainage system; increase water line to an 8" water line, replace existing sewer line with an 8" sewer line, provide new water and sewer services.

Quiet Zone – District 2

The Proposed Quiet Zone Project involves the potential closure of two streets and the conversion of three streets to one way. The Project encompasses approximately two miles of Union Pacific Rail Road (UPRR) rail line from Essex Street on the south to Sherman Street on the north. A map depicting the boundaries of the proposed project is attached to this Plan. The purpose of the Project is to relieve noise along this major economic development commercial node, prevent trains from sounding off their horns along this corridor, and improve the safety along these crossings within the corridor. These public infrastructure improvements will help facilitate the commercial redevelopment in the area along the rail line.

University of Incarnate Word Community Clinic – District 2

This proposed clinic located at the corner of Walters and Commerce Streets will be created in conjunction with UIW's new School of Optometry and also serve as a Dual Enrollment Center for UIW and St. Phillip's College. The clinic will offer the following health related services: optometry clinic and pharmaceutical, nursing, and nutrition counseling. The clinic will be housed in a 30,000 square-foot building and will improve the quality of life of local residents by serving an underserved area.

Hays Street Bridge – District 2

The main objective of this project is to rehabilitate the bridge solely for pedestrian and bicycle use and to restore the bridge's function as a "gateway". For more than seven decades, the Hays Street Bridge had provided an important transportation link for automobiles between San Antonio's Eastside and downtown. One of the primary objectives for the adaptive reuse of this historic landmark is to reestablish a significant link between the Dignowity Hill neighborhood and downtown, which is separated from the neighborhood by industrial property and Interstate Highway 37. Developments of plans for the rehabilitation of the Hays Street Bridge are underway.

1511 E. Commerce St. (Roegline Building) – District 2

On December 11, 2008 City Council approved the acquisition of 1511 E. Commerce on behalf of the Inner City TIRZ Board for \$150,500. In addition, \$10,000 was approved to cover acquisition related costs. The property is being acquired to further revitalization and redevelopment opportunities within the boundaries of the Inner City TIRZ. The TIRZ Board anticipates that this property, once acquired, could be subject to a Request for Proposals that will solicit proposals to redevelop the property. The TIRZ Board anticipates setting criteria that will maximize the goals of providing for economic development, job creation, and private investment.

SPSA Garage Project (243 Center St.) – District 2

In October of 2008, the Inner City TIRZ Board approved up to \$2,000,000 from the TIRZ number 11 fund for the St. Paul's Square Association Parking Garage Project. The City owned property at 243 Center St. will be sold to the St. Pauls Square Association for \$1,885,000 to develop a \$10,500,000 elevated parking garage. The elevated garage project, roughly one block from St. Paul's Square, will provide approximately 600 public parking spaces serving the businesses, employees, tenants and patrons of Sunset Station, St. Paul's Square, The Alamodome and the Via Park and Ride Facility at Chestnut and Ellis Alley. In addition to adding \$10,500,000 of taxable value to the Inner City TIRZ, the project allows excess City owned property to be converted to an essential service necessary to support future development in the

St. Paul's Square area and the EastTown @ Commercer Neighborhood Commercial Revitalization Project.

SPS Properties – District 2

The Inner City TIRZ Board approved the addition of the “St. Paul Square Properties”, which include; 119 Heiman, 123 Heiman, 1156 E. Commerce, 1164 E. Commerce & 1170 E. Commerce, to the approved project list. These City-owned properties will be sold to East Commerce Realty for the appraised value of \$1,700,000. The sale of these properties will add \$1,700,000 of taxable avalue to the Inner City TIRZ. In return, The City of San Antonio will purchase 37.3 acres adjacent to Palo Alto College and within the Verano Tax Increment Reinvestment Zone for \$2,500,000. The purchase will allow for the expansion of the Palo Alto College on the City's South Side

The following are descriptions of projects listed on Project List A that the Board and City may consider funding in the future:

New Light Village Housing - District 2

This project includes the acquisition and demolition of the old Super S commercial strip and all the expenses associated with the pre-development costs paid by CERA for the hosing project. The 10.072 acres is privately owned, and 3.911 acres owned by the Dellcrest Church of Christ will be sold to a private housing developer for construction of 85 new town homes in the \$75,000 to \$85,000 price range. All land will be dedicated for the public infrastructure improvements for streets, drainage, utilities, etc. will be deeded to the City of San Antonio.

Good Samaritan Hospital - District 2

A 12,000 square foot building, with historic significance as an African American hospital, is currently in private ownership. CERA, the non profit sponsor, will use the TIRZ funds to acquire the property and provide a portion of the environmental remediation to the structure. Once in public ownership, CERA will apply for a federal or state grant that would be used to renovate the building and its adjacent lot into a first class East Side Telecommunications Business Incubator. Renovations include new electrical, HVAC, plumbing, windows, doors, elevator, rest rooms, interior finish out and installation of telecommunications T1 line, and other necessary equipment. It will also include the paving of a parking lot, fencing, security gate, and security systems. Included in this price is the property acquisition, condemnation costs, and adjacent land parcels surrounding the property currently owned by SADA.

The Telecommunications Incubator will be managed and operated by CERA for the City of San Antonio. The estimated cost of this project is \$1,592,357. The estimate with environmental remediation is \$1.8 million. CERA will seek a \$1.3 million grant to construct the project. The

TIRZ will fund the property acquisition, adjacent land for parking and future development, and a portion of the environmental remediation.

Ellis Alley Restoration - District 2

The City of San Antonio and VIA Metropolitan Transit have entered into a collaborative agreement to develop four historic buildings located in the Ellis Alley Transit Center. The buildings are owned by VIA Metropolitan Transit, a public entity. The four buildings are composed of three houses and one commercial structure. All four buildings have significant historical aspects to the history of African Americans in the East side of San Antonio. The buildings were once home to African American freedman slaves. Based on a Market Feasibility Study commissioned by the City of San Antonio a community cultural development plan was developed for the restoration and operations of the Ellis Alley buildings. A limited portion of the TIRZ funds will be used to renovate the four buildings from foundations, structural stabilization, restoration of windows, doors, roof, interior finish out, electrical, plumbing, HVAC including the site work surrounding and linking the project with walkways, landscape and lighting. The funds will assist to convert the use of the Beacon Light buildings into a community cultural center which will include: arts and crafts gallery and retail sales, multimedia presentation and community room. The three smaller buildings will be converted into office space and rented to small and minority owned businesses. Other activities include: neighborhood cultural bus tours, self-guided bicycle tours, arts and cultural ticket sales, and as a historical attraction for the site itself. Such funds shall be used to create historical displays, videos, presentation equipment, gallery lighting, sound systems, etc. The balance of funds needed to complete this project will be identified through private foundations, future CDBG and future general revenue funds.

Friedrich Building – District 2

Plan B Development from Dallas, TX plans to redevelop this formal industrial building along E. Commerce Street. Phase I of this 400,000 square foot facility includes the redevelopment of 90,000 square feet of commercial space, 20 residential units and the creation of a major interior courtyard. The total redevelopment cost for Phase I is \$23 million, with an estimated property value of \$8 million upon completion. TIRZ funds would be utilized for façade improvements and environmental abatement of asbestos linked to a baking oven and ceiling tiles, and to address transformers containing PCB. The redevelopment of this building will help fulfill the goals of the TIRZ and the East Town on Commerce Neighborhood Commercial Revitalization activities.

Friedrich/Carver Joint Use Parking – District 2

Plan B Development from Dallas, TX plans to utilize TIRZ Funds to: acquire all property bounded by Commerce, Hackberry, Olive and David Robinson Way, remove existing structures, and build a shared parking facility (200 parking spaces) that would be utilized by principally the Carver Cultural Center, the Carver Academy and the Friedrich Lofts. The contractual agreement entered into by the developer, the TIRZ Board and the City will outline the scope of work, the

eligible reimbursable expenses and other requirements. If the parking lot is privately owned and operated, the estimated value of the development is \$1,500,000.

Oscar Eason Multiuse Center – District 2

Inner City Enterprises, Inc. proposes to demolish five existing structures to construct a four story 48,900 square foot mixed use facility. This building would be located at 1602 E. Commerce Street and consist of a 68-unit senior apartment complex with a storefront and community center, underground parking facilities. The first floor will contain approximately 12,242 square feet for commercial and retail spaces and for a community room. A total of forty-five of residential parking spaces will be provided below grade. The total cost of the project is estimated to be \$4,150,800. The development of this facility could help compliment the revitalization efforts in the East Town at Commerce Neighborhood Commercial Revitalization activities. The estimated value of the development is \$5,000,000.

Section 5: Priority of Projects

The Eastside Sports complex remains first in priority to receive TIRZ Funds at the funding level previously approved by the TIRZ Board and City Council. The remaining completed projects with an approved development agreement will receive payments outlined in the respective legal agreements. In the event of a shortfall of the projected revenue, these projects will receive a pro-rata share calculated based on the annual payment projected for the respective project.

